SUMMARY OF DISCUSSIONS:
Effectiveness of Security Right Against Third Parties
- Priority
- Enforcement
- Insolvency

EFFECTIVENESS AGAINST THIRD PARTIES (perfection)

Methods of obtaining effectiveness against third parties

- Registration

- Other methods (e.g., possession not relevant)

Registry system

- General security rights registry (indexed by grantor)
  
  - Generalized description
  
  - Encompasses after-acquired

- Specialized registry (indexed by intellectual property asset)
  
  - Linked to registered intellectual property
  
  - After-acquired problematic

  - Cost of searching and registering in multiple jurisdictions if registered in multiple jurisdictions

  - Alternative of filing in the general or specialized registry

Aspects applicable to particular types of intellectual property
Trademarks

Patents

Copyrights

May not be registry

Other intellectual property

PRIORITY

General priority rule

First in time

Role of actual knowledge

Registry system

Effect of not registering

Effect of registering in the general registry only

Effect of registering in the specialized registry only

Effect of registering in both the general and the specialize registry

Rights of licensor vs. secured creditor of licensee

Right of licensor to terminate license for breach of anti-assignment term

Who is entitled to sublicense royalties - the licensor or the secured creditor of the licensee?

Rights of licensee vs. secured creditors of licensor

Licensee in ordinary courser

Exclusive vs. non-exclusive license

Aspects applicable to particular types of intellectual property

Trademarks
Patents

Copyrights

Other intellectual property

ENFORCEMENT

Traditional remedies

Taking possession (not relevant for intangibles)

What about “control”?

Disposition by sale

The intellectual property right itself

When the intellectual property is inseparable with or otherwise associated with other collateral

Trademarked goods

Mixed goods (imbedded software)

Disposition by license

Acceptance of encumbered assets

Collection of license fees

Appointment of a receiver

Practical problems of clearing title (conditional assignment; power of attorney)

Transfer of title for preservation or to prepare for disposition

Dealing with intellectual property registries upon disposition or acceptance

Licensee rights as encumbered assets

Anti-assignment terms

Benefits of no enforcement rights without consent of licensor

Aspects applicable to particular types of intellectual property
Trademarks
Patents
Copyrights
Other intellectual property

INSOLVENCY

General application of insolvency laws including any stay on enforcement and the like

Debtor as licensor

Effect of rejection of license

Debtor as licensee

Treatment as a third party owned asset
Assumption of the licensee’s rights
Assignability of the licensee’s rights

Aspects applicable to particular types of intellectual property

Trademarks

Responsibilities of trademark owner if secured creditor becomes the owner

Renewals
Maintenance in good order
Policing against infringers

Patents

Copyrights

Other intellectual property